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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

Docket
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SLC 222

4 MAR 1993

IN REPLY REFER TO:

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Mr. Robert M. Abben
884 Vitton Herbert Drive
Largo, FL 34641

MAR - 9 1993

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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Dear Mr. Abben:

Congressman Michael Bilirakis has asked me to respond to your letter in which you complain about rate increases by your local cable television operator.

The Commission has a clear understanding that Congress adopted the Cable Act of 1992 to constrain unreasonable cable rates. The Commission is in the process of formulating rules implementing the rate provisions of the law and is seeking public comment on those provisions that address rate rollbacks, refunds, and evasions of statutory requirements. The Commission will attempt to implement these provisions faithfully, and will consider the conduct of the cable industry during the interim period in deciding what kind of regulation is needed.

Your letter will be placed in the record of this proceeding so that the Commission can be mindful of your concerns during its deliberations. I trust that the foregoing and the enclosures are informative.

Sincerely,

Roy J. Stewart

Roy J. Stewart
Chief, Mass Media Bureau

Enclosures

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December 13, 1992

Legis

Dear Congressman Billirakis;

Re: Cable television

The President had it right.

You had it right.

AND NOW, the reality of another "BAD BILL" is upon us

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

My report is from a segment of your former district (I will send a copy to Mr. Young). At your home I do not believe you are a subscriber to Paragon Cable. The problem I bring you is in Largo and St. Petersburg ... it could be with other cable companies as well.

When I read the article in the Times about the rate increase my dander really "got-up" It wasn't until a few days later I felt the need to write to you. This was prompted by a change in the program schedule. Each morning I try to watch a little of C-Span. This morning it wasn't in the usual place on my dial. It had been moved from ch 15 to ch 36. Please refer to the program sheet to see that C Span has been moved from the BASIC package to the STANDARD package. This move does not affect our home as we subscribe to the latter package. HOWEVER, THE RATE INCREASE AND CHANNEL SWAP do affect all those that cannot afford the STANDARD package. To charge more money for less, is just not fair.

C-Span has become a very popular channel, so it follows that it is worth more money to the cable company ... BUT ... each time something gains in value, something in the schedule becomes less valuable. If this is allowed to continue, the basic package will consist of the nine over the air channels, classivision and public access. Hardly a bargain at much less the price.

C-Span was in the original contract that the cable company made with the subscriber. It is just not fair to change the contract. In the Times article Mrs. Kone said that when the PEOPLE awarded the franchise etc. The people did NOT award the contract ... the local governments are responsible.

For granting this award the local governments are awarded this franchise fee, which is about \$2.00 per home per month ... plus the state sales tax. I called all of the local government offices to find out what could be done about the rate increase or the change in channels. No one can or will do anything. WHAT IS THIS FEE FOR ? The 5% annual increase in rate is also a 5% annual increase in both the franchise fee and the sales tax rate as well. THIS IS A SUBSTANTIAL AMOUNT, and a tax increase without any legislation ... AND ... there is nothing for the tax payer. I understand why no one can do anything ... BUT ... IT IS NOT FAIR.

The rate will go up again, the channels will change again. The answer is not to cancel cable. THE ANSWER IS, VALUE FOR AND FAIRNESS IN THE TAXES WE PAY. No business in this day and age should be allowed to tell the public to take it or leave it.

Robert M. Abben
884 Wilton Herbert Dr.
Largo, Fl. 34641

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Largo Paragon Cable Schedule

Programs/ Network

- WUSF / PBS, over the air ch 17
- WEDU / PBS, over the air ch 3
- x WTOG / Ind, over the air ch 44
- 5 WTBS / Turner, Atlanta, movies and reruns
- 6 WGN / Tribune, Chicago, Chicago news, Bozo & old movies
- 7 x WCLF / Christian broadcasting, over the air ch 22
- 8 x WFLA / NBC, over the air ch 8
- 9 WPLG / Paragon local access, various self promoting pgms
- 10 x WTSP / ABC, over the air ch 10
- 11 x WFTS / FOX, over the air ch 28
- 12 x WTMV / Ind, over the air ch 32
- 13 x WTVT / CBS, over the air ch 13
- 14 Sunshine network, very low grade programming and sports
- 15 Pinellas County Access, very poor quality, county
commission audio is poor.
- 16 Real estate & classivision, The Bickersons (radio reruns)
and prerecorded audio comedy
- 17 CNN / news network
- 18 USA / old movies and reruns

-----The above are the BASIC pkg-----
 -----The STANDARD pkg are those below and above-----

- 19 Nick / old movies and reruns
- 20 TNT / old movies and reruns, some sports
- 22 ESPN
- 23 Lifetime
- 24 News Headlines
- 25 CBN / religion and reruns
- 26 Rock videos
- 29 Discovery, mostly 30 min. documentaries
- 30 TNN / Nashville Network
- 31 CNBC / business and market
- 33 HSN / Home Shopping
- 34 Weather Channel
- 35 Movie Channel
- 36 C-Span
- 37 QVC / shopping, daytime / rock videos at night

-----Beyond these pkg are the pay-for-view-----
 x denotes over the air stations - outdoor antenna

St. Petersburg Times

LARGO-SEMINOLE EDITION — St. Petersburg, Fla.

WEDNESDAY, NOVEMBER 25, 1992

Cable rates on the rise

■ Paragon Cable's standard package, which now costs \$21.95, will go to \$23.05 on Jan. 1. It's the sixth increase since 1988.

By NICHOLE M. CHRISTIAN
Times Staff Writer

Paragon Cable customers can expect a little something from the company with the December bills: a notice of a 5 percent rate increase.

"Our programming costs are up by 27 percent. This will offset our costs," said Robert Barlow, Paragon's general manager. "We typically have one a year."

About 90,000 Paragon customers will see their bills increase starting Jan. 1. Customers who once paid \$21.95 for the company's standard package, which includes such channels as ESPN, MTV and CNN, will spend \$23.05, before taxes.

Subscribers with premium channels, such as HBO or Cinemax also will see their total bill rise by 5 percent.

According to Barlow, customers who subscribe to the company's basic 20-channel plan will not be affected by the increase. Those customers saw their bills increase in September from \$6.95 to \$8.95.

Paragon serves 115,000 customers in St. Petersburg, Largo, St. Petersburg Beach, Gulfport, Treasure Island, Indian Shores, Seminole, South Pasadena, Belleair Shores, Belleair Beach and Belleair Bluffs. Paragon also has customers in a small part of unincorporated Pinellas County, near Largo's city limits.

Annual increases are something cable consumers should get used to, said Gene Webb, St. Petersburg's cable administrator. Paragon Cable has raised its rates six times since March 1988.

"The Cable Communications Policy Act of 1984 allows a 5 percent increase on an annual basis. Basically, what Paragon has done is that they have raised their rates to the maximum rate allowed under the cable act."

While they may have to get used to the annual increase, St. Petersburg council member Connie Kone says it certainly wasn't expected in 1989 when Paragon

Please see **CABLE** Page 7

Cable from Page 1

was awarded a 15-year franchise contract with the city.

"There is no question the rates have increased too often. I don't think the people anticipated that when Paragon was awarded the contract," Kone said. "Paragon has spent a lot of money to upgrade the system but I'm not sure the frequent raises are warranted because of that."

Barlow said Paragon has spent about \$35-million to increase the number of channels from 35 to 54.

"There is no question the rates have increased too often. I don't think the people anticipated that when Paragon was awarded the contract."

— Connie Kone
council member

Paragon Cable customers are not the only consumers dealing with rate increases.

TCI Cable of Pinellas County, which serves 22,000 customers in Dunedin, Oldsmar, Safety Harbor and Tarpon Springs, raised its rates in March.

Paragon's rate increases

■ Paragon cable executives have announced that the standard monthly rate for subscribers will increase from \$21.95 to \$23.05 before taxes. The new fee will take effect Jan. 1, and is the sixth increase since March 1988.

March 1988	\$14.95 to \$15.95
August 1989	\$15.95 to \$16.75
April 1990	\$16.75 to \$17.95
December 1990	\$17.95 to \$19.95
January 1992	\$19.95 to \$21.95
January 1993	\$21.95 to \$23.05

Basic cable increased from \$18.10 to \$19.10. The company's expanded package increased from \$1.85 to \$2.35.

"If you took the cable company with the highest rates, cable costs would still come out to a soda pop a day. That's a great buy for all the programming you get," said Scott Brown, TCI's general manager.

But if Webb is correct, cable costs may soon no longer be such a great buy.

"What consumers need to understand is that those rates will continue to go up as long as there is no competitive force to cause them to stay down."